PREMIER ISSUE • VOLUME ONE

Synergy™ INSIGHTS

The Most Important Driver in Mergers, Acquisitions and Divestitures

A PUBLICATION OF
Taylor Companies

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LETTER FROM THE PUBLISHER & EDITOR-IN-CHIEF

Ralph C. Taylor II

Warren H. Bellis

Taylor Companies is pleased to present the premier volume of *Synergy Insights*. It is our intention for this business journal to stimulate greater understanding of synergy and its effective application to mergers, acquisitions, and divestitures.

Nearly all deals done by Taylor Companies have been extraordinarily successful, which stands in contrast to industry-wide statistics indicating that the majority of deals done worldwide fail to produce value. While many elements contribute to a successful merger, acquisition, or divestiture, we believe that the key factor is effective identification and application of synergy.

Guided by this belief, we have dedicated thirty years to the study of how synergy works and what can impede its success. This study occurred during the normal course of our focus in doing deals. Therefore we have worked side by side with our clients and advisors in developing the understanding of synergy presented in this journal. We are encouraged to share this knowledge as a means of helping reverse the overall failure in the world of mergers, acquisitions, and divestitures.

We welcome your questions and suggestions, as they will help further refine the understanding of synergy. We hope you enjoy *Synergy Insights*. Thank you for your interest in this important subject.

Ralph C. Taylor II
Chairman and CEO
Taylor Companies

Warren H. Bellis
Co-Chairman
Taylor Companies

THE MOST IMPORTANT DRIVER IN MERGERS, ACQUISITIONS AND DIVESTITURES

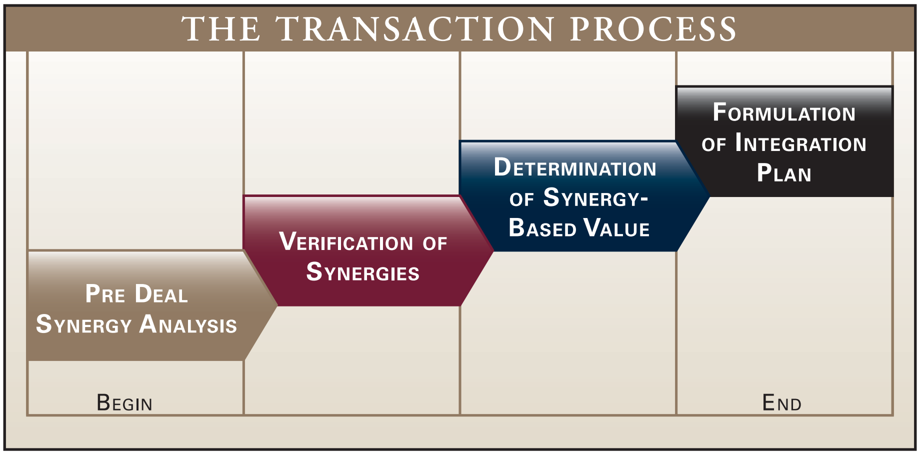
synergy (sĭn´ər-jē) (n.) — the phenomenon in which two or more discrete influences or agents, acting together, can create an effect greater than that predicted by knowing only the separate effects of the individual agents.

Without a doubt, synergy is the most important driver in successful mergers, acquisitions and divestitures. When applied effectively to a transaction, synergy can be the driver of special value and the source of the proverbial "one plus one equals three." Synergy is created in a transaction when the combination of Buyer and Seller reduces weaknesses or enables increased application of underutilized strengths. Some believe that synergy is primarily focused on cost cutting. However, the broad range of opportunities to create synergy includes benefits such as creating new revenues, protecting existing revenues, improving margins, reducing existing costs, avoiding new costs and increasing the corporate P/E. Some synergies are commonplace, while many others clearly represent unique approaches to creating value.

Effective Application of Synergy

The focus of this article will be on the application of synergy to a transaction where the acquisition target is already known. However, it is also possible to use synergy to create profiles of the kinds of acquisitions that are likely to deliver the greatest value. These profiles can then serve as the basis for proactively identifying the best targets to acquire.

The involvement of synergy on a deal begins with a pre-transaction synergy analysis. The most effective pre-deal synergy analysis will identify all synergies and corresponding sources of potential value in the deal. However, the analysis can not be considered complete without thorough consideration of the impediments that may obstruct the achievement of the identified synergies. Each synergy has its own characteristic impediments—many of which are subtle and easily overlooked.



EFFECTIVE APPLICATION OF SYNERGY DOES NOT END WITH THE PRE-DEAL ANALYSIS

To achieve an effective analysis, one must know which impediments are possible and carefully examine the circumstances to ensure their absence. Objectivity is paramount; one must be prepared to acknowledge the impediments if present. If such factors are present and strong enough to substantially negate the synergies, discipline must be exercised and the deal recommended against. The economic values of the opportunities that survive this thorough process must then be quantified while taking into account the associated costs of implementation. The net value of each synergy must then be adjusted based on the probability of its accomplishment.

Effective application of synergy does not end with the pre-deal analysis. Synergy must not be considered at the beginning of the deal process and then fall into the background during subsequent steps. It must remain the driver of the deal and be given prime consideration through all subsequent phases of the process, including:

- Selection of an appropriate team with responsibility for verifying the synergies at every opportunity, including final due diligence.
- Determination of a synergy-based value, the knowledge of which enables the Buyer to win the deal without overpaying.
- An integration-phase plan that is properly sequenced and timed to realize the synergies at the earliest opportunity.

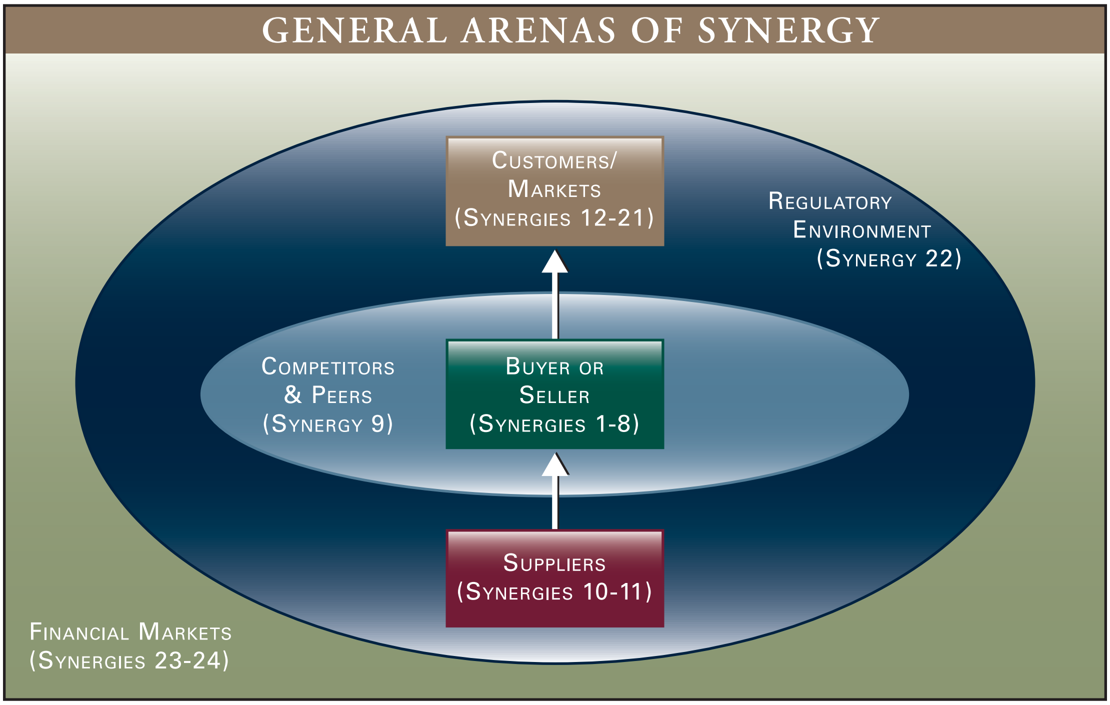
Higher Probability of Success

If such ongoing dedication to synergy is demonstrated, a high probability of success is ensured. This degree of dedication to synergy has contributed greatly to the results of Taylor Companies, which during the last thirty years has achieved an acquisition success rate three to four times higher than the industry norm. While other factors have contributed to this positive outcome, synergy has been the key driver.

The resulting deep understanding of synergy is documented in the company's synergy model. Through application of this model, one identifies the apparent synergies in a transaction and then rigorously challenges underlying assumptions to ensure that the synergies exist. The model is then further employed to determine a concrete economic value for each synergy. This is extremely important considering that it is common practice in M&A to stop short of this final step and hastily assume synergy is present before the value has been fully vetted. This value serves as the initial point of reference so that during due diligence, assumptions and values can be further refined based upon complete discovery of the pertinent information.

General Arenas of Synergy

As is indicated in the following schematic, the synergies achievable through a transaction can be derived from a number of arenas. Some synergies occur as an internal phenomenon within the Buyer or Seller, without reference to external factors. Other synergies of the Buyer or Seller derive their effect from connections to external arenas such as competitors and peers, suppliers, or customers and markets. Still other synergies are based on the Buyer's or Seller's relationships to the regulatory environment or financial markets.



Quantifiable Benefits

The categories of synergy in Taylor's model cover a broad range of issues and illustrate opportunities for achieving quantifiable benefits through creation of new revenues, protection of existing revenues, improvement of margins, reduction of existing costs, avoidance of new costs or an increase of the corporate P/E. Several synergies derive value from more than one of these angles simultaneously. The legend appearing below illustrates the categories of quantifiable benefits that are common to the synergies found in Taylor's model. A quick-reference table showing which benefits apply to each specific category of synergy appears on page 8.

EXPLANATIONS OF QUANTIFIABLE BENEFITS

- ***Revenue Enhancement***
  Creation of new business from existing or new customers.

- ***Revenue Protection***
  Prevention of loss of business from existing customers.

- ***Cost Reduction***
  Decrease in expenditures on recurring items.

- ***Cost Avoidance***
  Elimination of need for spending on new items.

- ***Margin Improvement***
  Increase of profits whether from cost reduction or not.

- ***PE Enhancement***
  Sustainable increase in a public company's trading multiple.

Categories of Quantifiable Benefits Common to the 25 Synergies Found in Taylor Companies' Synergy Model

General Arenas of Synergy	Specific Categories of Synergy	Quantifiable Benefits*					
		RE	RP	CR	CA	MI	PE
Buyer or Seller	1. Eliminating Overhead and Improving Utilizations			■		■	
	2. Selling Potential Realized Due to Removal of Manufacturing Constraints	■				■	
	3. Achieving Operational Critical Mass	■	■			■	
	4. Combined Financial Structure Is an Improvement					■	
	5. Applying Superior Know-How to the Business	■	■	■		■	
	6. Obtaining Superior Technologies	■	■	■		■	■
	7. Obtaining Future Benefit	■	■	■		■	■
	8. Corporate Culture Is Improved	■	■	■	■	■	■
Competitors & Peers	9. A Competitor Is Acquired	■		■			
Suppliers	10. Procurement – Economies of Scale			■			
	11. Achieving Backward Integration		■			■	
Customers/ Markets	12. Achieving Forward Integration		■			■	
	13. New Products/Services for Existing Customers	■		■	■	■	
	14. Creation of One-Stop Shopping for Customers	■	■		■	■	
	15. Obtaining Superior Products/Services	■	■			■	
	16. New Customers for Existing Products/Services	■			■		
	17. New Distributors/Distribution Channels for Existing Products/Services	■					
	18. Image With Customers Is Improved	■	■			■	
	19. Image With Mutual Customers Is Strengthened	■	■	■		■	
	20. Continuing to Supply a Key Customer	■	■				
	21. Obtaining Superior Markets					■	
Regulatory Environ.	22. Image With Regulators Is Improved		■		■		
Financial Markets	23. Financial Critical Mass Is Achieved						■
	24. Image With Market Analysts Is Improved						■
Other	25. A Target Is Acquired to Prevent Someone Else From Acquiring It		■			■	

*Explanations of Quantifiable Benefits

- ***Revenue Enhancement (RE)*** . . . . Creation of new business from existing or new customers.
- ***Revenue Protection (RP)*** . . . . Prevention of loss of business from existing customers.
- ***Cost Reduction (CR)*** . . . . Decrease in expenditures on recurring items.
- ***Cost Avoidance (CA)*** . . . . Elimination of need for spending on new items.
- ***Margin Improvement (MI)*** . . . . Increase of profits whether from cost reduction or not.
- ***PE Enhancement (PE)*** . . . . Sustainable increase in a public company's trading multiple

Specific Synergies

The following is a more detailed presentation of the synergies listed in the preceding table. This presentation focuses on the basic mechanics of each synergy, without reference to anecdotes or case studies, and therefore should not be considered an exhaustive discussion. The intention of this premier issue is to provide a basic understanding of synergy. Future volumes will present in-depth examinations of individual synergies, including applicable case studies and anecdotal experiences of seasoned deal makers. While many of the following synergies could be viewed from either a Buyer's or Seller's perspective, only the Buyer's perspective is being presented here for the sake of simplicity.

SYNERGY DESCRIPTIONS

1. Eliminating Overhead and Improving Utilizations

- ***Cost Reduction***

  In cases where the combination of Buyer and Seller results in redundant resources, the excess resources (selling, general, and administrative/costs of goods sold) of one or both parties may be eliminated along with the associated overhead.

  Redundant resources may include duplicate sets of people, equipment, systems and even entire facilities that are used within the Buyer's and/or Seller's businesses in areas such as Administration, Accounting, Information Technology, R&D, Production, etc.

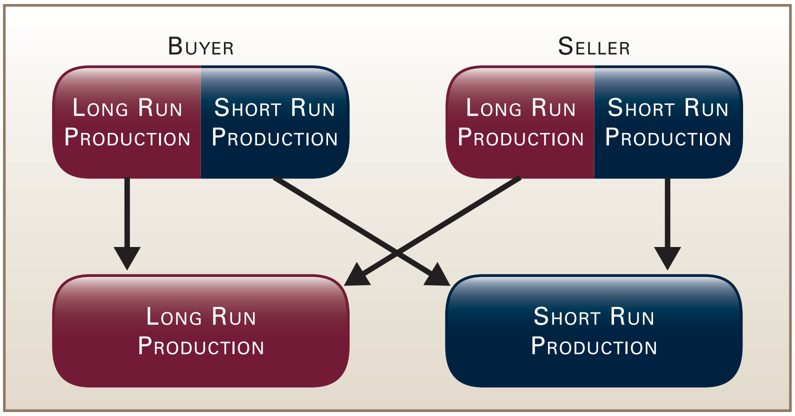
- ***Margin Improvement***

  Assuming elimination of the redundant resources of the combination did not result in a reduction in overall revenues, the corresponding orders will be produced more efficiently, resulting in improved margins.

• ***Margin Improvement***

In cases where some or all of Buyer's production can be done more efficiently in Seller's facilities and vice versa, margins would be improved on the affected production.

A common example of this synergy can be seen where Buyer and Seller each have a mix of business, such as long production runs/short production runs, lower quality/higher quality, etc. It can be disruptive and inefficient for a single business to run both extremes. However, with the combination of Buyer and Seller, there is the possibility of each specializing in one of the extremes. For instance Buyer could focus on long run production and Seller on short run, thus creating a much more efficient combined business.



Reorganize production to improve efficiency

2. Selling Potential Realized Due to Removal of Manufacturing Constraints

• ***Revenue Enhancement***

If either Buyer or Seller is not fully pursuing its selling opportunities due to constraints in manufacturing capacity, suitable excess capacity of either Buyer or Seller now available through the combination makes it possible to actively pursue selling opportunities.

- ***Margin Improvement***

  Increased utilization of the relevant manufacturing capacity improves margins.

3. Achieving Operational Critical Mass

- ***Revenue Enhancement***
- ***Margin Improvement***
- ***Revenue Protection***

  The union of Buyer and Seller allows the combined business to strengthen certain internal functions, thereby improving performance and enabling the business to meet key objectives.

  An example of this synergy can be found in the area of sales. There is a certain frequency with which a salesperson must visit a prospective customer in order to optimize the chances of booking a sale. If Buyer's or Seller's sales organizations are spread too thinly, this frequency of customer contact may not be achieved. However, through the combination of Buyer and Seller, the critical mass of "feet on the street" may be reached and the sales volume optimized.

4. Combined Financial Structure Is an Improvement

- ***Margin Improvement***

  A financially related weakness of the Buyer is offset by a financially related strength of the Seller or vice versa.

  Examples of this synergy would include where Buyer has net operating profits and Seller has tax credits from net operating losses, or where one party has an under-funded pension plan and the other has an over-funded plan.

5. Applying Superior Know-How to the Business

- ***Revenue Enhancement***
- ***Revenue Protection***
- ***Cost Reduction***
- ***Margin Improvement***

Seller's business is strengthened when Buyer applies superior know-how that Seller is lacking.

When done effectively, application of know-how can create significant improvements in the performance of a business. Know-how may be applied advantageously to most areas of a business, including IT, R&D, Production, Advertising, Marketing, etc. For example, superior know-how regarding plant layout could be applied in the production area to significantly reduce the time required to manufacture a product. As a result, shorter delivery times may be achieved, thereby increasing orders from customers.

6. Obtaining Superior Technologies

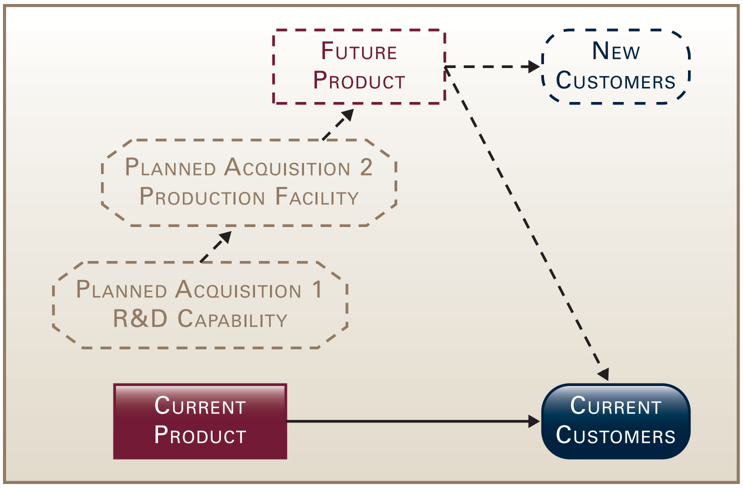
- ***Revenue Enhancement***
- ***Revenue Protection***
- ***Cost Reduction***
- ***Margin Improvement***
- ***PE Enhancement***

Buyer's business is strengthened when it obtains technologies from Seller that are superior to those possessed by Buyer.

7. Obtaining Future Benefit

- ***Revenue Enhancement***
- ***Revenue Protection***
- ***Cost Reduction***
- ***Margin Improvement***
- ***PE Enhancement***

Buyer obtains an asset (product, customer, technology, etc.) from Seller that will create benefit once combined with the assets of Buyer's planned future acquisition(s).



Obtaining
future benefits

8. Corporate Culture Is Improved

- ***Revenue Enhancement***
- ***Revenue Protection***
- ***Cost Reduction***
- ***Margin Improvement***
- ***PE Enhancement***

Seller's influence on Buyer results in an improvement in Buyer's corporate culture, which may drive positive results in Buyer's business.

This synergy depends not only on the compatibility of the Buyer's and Seller's corporate cultures, but on the ability of one culture to create positive change in the other. It is necessary to thoroughly examine the chemistry between Buyer and Seller, as the realization of this and most other synergies relies on the ongoing cooperative efforts of both parties.

- ***Cost Avoidance***

Seller's influence on Buyer results in an improvement in Buyer's corporate culture, which helps Buyer avoid the costs and time of driving the changes exclusively through internal efforts.

9. A Competitor Is Acquired

- ***Revenue Enhancement***
  Buyer's acquisition of Seller allows Buyer to increase revenues, as a result of being able to focus without distraction on Buyer's own game plan.

OR

- ***Cost Reduction***
  Buyer's acquisition of Seller allows Buyer to reduce or eliminate costs previously incurred as a result of having to anticipate and counter initiatives of its former rival.

In acquiring a competitor there is the danger that some customers common to both Buyer and Seller will not want to limit their supply of critical materials to one supplier. Such customers may decrease their order volume from the newly combined business and seek out another supplier to provide the shortfall. This will result in a net loss of sales for Buyer and the acquired competitor. The ideal of synergy is for Buyer's and Seller's combined value to be in excess of their individual stand-alone values, but in this case the combined value could end up being less than the stand-alone values.

10. Procurement – Economies of Scale

- ***Cost Reduction***
  If, through the combination of Buyer and Seller, combined volumes of sourced materials are sufficiently increased, lower unit prices may be available from the relevant suppliers.

- ***Cost Reduction***
  If for sourced materials either Buyer or Seller is paying lower unit prices than the other, it may be possible to get the lower unit price extended to the party currently paying the higher price.

LOWER UNIT PRICES THROUGH COMBINED VOLUMES OF SOURCED MATERIALS

11. Achieving Backward Integration

- ***Revenue Protection***

  In acquiring an actual or potential supplier, Buyer achieves backward integration as a means of stabilizing Buyer's supply of a critical material—particularly when the supplier is unstable or likely to become unstable.

  Achievement of backward integration is accompanied by potential dangers. It is likely the case that both Buyer and its competitors are customers of the supplier into which Buyer will be backward integrating. Buyer's competitors may view being supplied by someone who is owned by a competitor as a threat to their security. In response they may switch to another supplier if available. The backward integration would therefore create serious undesirable consequences for Buyer.

- ***Margin Improvement***

  In acquiring an actual or potential supplier Buyer achieves backward integration as a means of capturing a more appealing part of the value chain.

12. Achieving Forward Integration

- ***Revenue Protection***

  In acquiring a customer, Buyer achieves forward integration and thereby creates a captive outlet for Buyer's products or services—particularly when the customer is of high importance to Buyer and where potential exists for the customer to switch to a different supplier.

• ***Margin Improvement***
In acquiring a customer, Buyer achieves forward integration and thereby secures the means for capturing the more appealing segment of the value chain occupied by the customer.

Achieving forward integration

13. New Products/Services for Existing Customers

• ***Revenue Enhancement***
Where Buyer and Seller do not sell to the same customer, Buyer obtains from Seller products or services that Buyer does not currently sell but if obtained could be sold to Buyer's existing customers.

While this synergy appears straightforward, close analysis of the specific situation must be conducted to make certain the right conditions are in place to ensure success. In this synergy, Buyer will be attempting to sell a new product to its existing customer. For this to work effectively, Buyer must have a strong relationship with the procurement agent to which Buyer sells its existing products. In addition, this procurement agent must have categorical responsibility for the new product; otherwise it cannot be assumed that Buyer's relationship with its procurement agent would transfer to a fellow agent.

AND

- ***Cost Reduction***
  Where Buyer and Seller have mutual customers, the sales organizations are rationalized and consolidated.

OR

- ***Margin Improvement***
  The broadened product or service offering may provide opportunities to increase prices in return for providing the customer with the convenience of bundled purchasing.

OR

- ***Cost Avoidance***
  Obtaining the relevant products or services through acquisition of Seller would save Buyer the costs associated with developing the products or services internally.

14. Creation of One-Stop Shopping for Customers

- ***Revenue Enhancement***
  Buyer obtains from Seller products critical to the establishment of one-stop shopping, thereby increasing sales of existing products to existing customers who are inclined to buy more because one-stop shopping is available.

OR

- ***Revenue Enhancement***
  Buyer obtains from Seller products critical to the establishment of one-stop shopping, thereby attracting new customers and increasing sales.

OR

- ***Revenue Protection***
  In cases where the customer base is demanding one-stop shopping, Buyer obtains from Seller products critical to the establishment of one-stop shopping, thereby preserving revenues that may otherwise be lost to Buyer's competitors who are already offering one-stop shopping.

OR

- ***Margin Improvement***
  The broadened product or service offering may provide opportunities to

increase prices in return for providing the customer with the convenience of one-stop shopping.

OR

- ***Cost Avoidance***

Obtaining the relevant products or services through acquisition of Seller would save Buyer the costs associated with developing the products or services internally.

15. Obtaining Superior Products/Services

- ***Revenue Enhancement***
- ***Revenue Protection***

Buyer obtains from Seller a product or service, which compared to Buyer's less desirable version of the same product/service has a superior profile—a higher growth rate, a higher margin, higher quality, better functionality, lower cost, possession of a leadership position, possession of proprietary status, a better safety or environmental profile, and/or presence at a complementary price point—thus increasing revenues or preventing erosion of existing revenues.

OR

- ***Margin Improvement***

Buyer obtains from Seller a product or service—which compared to Buyer's existing products/services has higher margins—thus creating an improved financial profile for Buyer once the profits from the new product/service are combined with those from the Buyer's pre-existing portfolio.

OBTAINING SUPERIOR PRODUCTS

16. New Customers for Existing Products/Services

• ***Revenue Enhancement***

Buyer obtains from Seller new customers to which Buyer can sell its existing products or services.

In this case Buyer will be gaining access to new customers. It is critical that Seller has strong relationships with its customers, otherwise Buyer may not be able to achieve the anticipated level of sales of its existing products or services. In addition, Seller's relationship must be with the very same procurement agent that is responsible for purchasing the new product; otherwise it cannot be assumed that Seller's relationship with its procurement agent would transfer to a fellow agent.

AND

• ***Cost Avoidance***

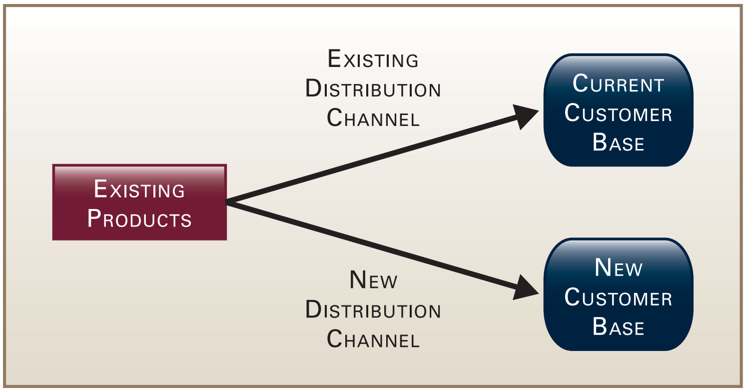
In cases where the Buyer was planning to invest in building a sales organization anyway, Buyer can avoid the cost and time required to build the sales organization and establish the necessary customer relationships.

17. New Distributors/Distribution Channels for Existing Products/Services

• ***Revenue Enhancement***

Buyer obtains from Seller new distributors/distribution channels through which Buyer can increase sales of its existing products or services.

Buyer obtaining new distributors or distribution channels can be a comparatively lower-cost way to enter a new geographical or end-use market. However, once a market foothold has been established, creation of a direct selling organization may yield a more rapid growth of sales.



New distributors/ distribution channels

18. Image With Customers Is Improved

• ***Revenue Enhancement***

In the case that Buyer's tainted image with customers is preventing growth of market position, revenues can be increased when Seller's positive image with customers bolsters Buyer's compromised image.

When considering the achievability of this synergy, the actual situation must be carefully analyzed to ensure that the positive image of the one party is based on factors that could positively impact the tainted image of the other. Additionally it should be verified that the positive image will improve the tainted image rather than be compromised by it.

OR

• ***Revenue Protection***

In the case that Buyer's tainted image with customers threatens to diminish Buyer's market position, revenues can be preserved when Seller's positive image with customers bolsters Buyer's compromised image.

OR

• ***Margin Improvement***

If Buyer's image is sufficiently strengthened, Buyer may be able to raise prices, resulting in improved margins.

19. Image With Mutual Customers Is Strengthened

- ***Revenue Enhancement***
  In the case that Buyer's weakened image with those customers shared with Seller is preventing growth of market position, revenues can be increased when Seller's positive image with customers bolsters Buyer's compromised image.

  As was the case with the prior synergy, the actual situation must be carefully analyzed to ensure that the positive image of the one party is based on factors that could positively impact the tainted image of the other. Additionally it should be verified that the positive image will improve the tainted image rather than be compromised by it.

OR

- ***Revenue Protection***
  In the case that Buyer's weakened image with those customers shared with Seller threatens to diminish Buyer's market position, revenues can be preserved when Seller's positive image with customers bolsters Buyer's compromised image.

OR

- ***Margin Improvement***
  If Buyer's image is sufficiently strengthened, Buyer may be able to raise prices, resulting in improved margins.

AND

- ***Cost Reduction***
  If Buyer's and Seller's sales organizations can be rationalized and consolidated, a reduction in selling costs would be achieved.

20. Continuing to Supply a Key Customer

- ***Revenue Enhancement***
  Buyer obtains infrastructure from Seller that will allow Buyer to create new revenues in the geographical or end-use market into which one of Buyer's existing customers is expanding.

An example of this synergy would be where Buyer is supplying a customer in the local market. The customer intends to establish a market presence in a new market. Based on the strength of the relationship, Buyer sees an opportunity to supply the customer in the new market but has been told it must have within the region an appropriate warehouse and distribution center, which it intends to obtain through an acquisition.

AND

- ***Revenue Protection***

  In the case that Buyer's inability to supply the expanded customer would negatively impact Buyer's relationship with the customer, Buyer would preserve existing revenues by obtaining the appropriate infrastructure from Seller.

21. Obtaining Superior Markets

- ***Margin Improvement***

  As a result of its combination with Seller, Buyer enters a new market that features a superior profile—higher growth rate, higher margin, counter-cyclical or counter-seasonal nature, or possession of barriers to entry—to that of Buyer's existing markets. The higher performance of the superior market, combined with Buyer's success in its pre-existing markets, strengthens Buyer's overall financial picture.

Obtaining superior markets

22. Image With Regulators Is Improved

• ***Revenue Protection***

Due to Seller's positive influence with regulators, Buyer is able to avoid interruption of its business while compliance with applicable regulations is being achieved.

AND/OR

• ***Cost Avoidance***

Due to Seller's positive influence with regulators, Buyer is able to avoid fines that might otherwise be imposed while compliance with applicable regulations is being achieved.

AND/OR

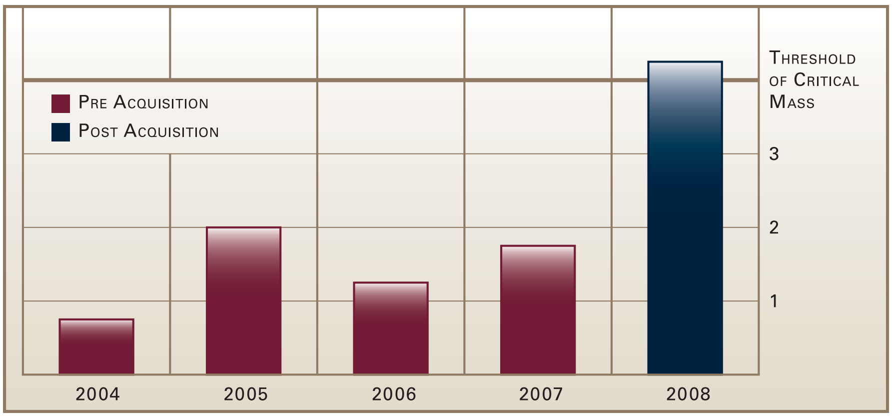
• ***Cost Avoidance***

In the case that Seller already possesses the systems, equipment and controls that Buyer needs to achieve regulatory compliance, Buyer may be able to avoid some of the costs associated with obtaining these required items.

23. Financial Critical Mass Is Achieved

• ***PE Enhancement***

The Buyer and Seller combine to achieve a market cap that is of sufficient magnitude to capture the attention of the relevant market analysts.



Achieving Financial Critical Mass

24. Image With Market Analysts Is Improved

• ***PE Enhancement***

The market analysts' image of Buyer is improved when Buyer acquires a business possessing a positive image compared to Buyer's correspondingly negative image.

• ***PE Enhancement***

The market analysts' already positive image of Buyer becomes expanded when Buyer acquires a business that is also viewed positively by market analysts.

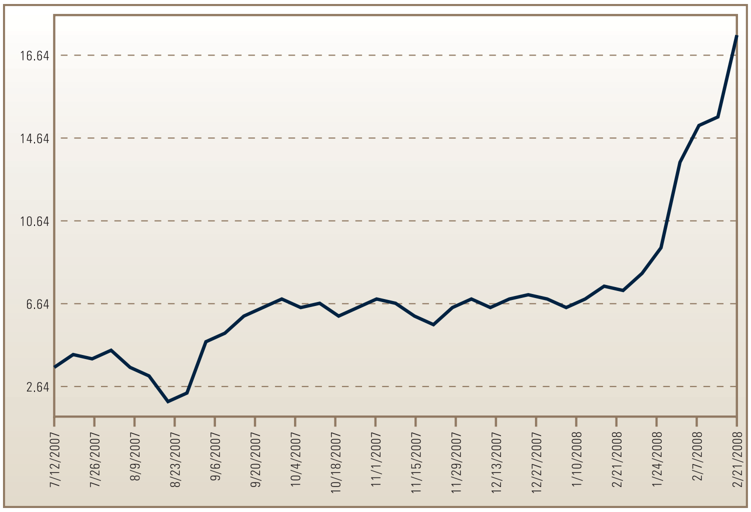


Image with market analysts is improved

25. A Target Is Acquired to Prevent Someone Else From Acquiring It

• ***Revenue Protection***

Buyer is able to preserve revenues if the acquisition target is a key customer at risk of being acquired by a competitor of Buyer.

OR

• ***Revenue Protection***

Buyer is able to preserve revenues if the acquisition target is a key supplier (and loss of key raw materials or supplies would disrupt production).

OR

- ***Revenue Protection***
- ***Margin Improvement***

  Buyer is able to preserve revenues and/or possibly improve margins if the target has some characteristic (key product, technology, know-how or capabilities) of critical importance to Buyer.

OR

- ***Revenue Protection***

  Buyer is able to preserve revenues that might otherwise be lost due to decreased competitive advantage resulting from acquisition of a critical target by someone other than Buyer.

PUBLISHER'S NOTE

The foregoing has been a general discussion of how synergy should be employed in mergers and acquisitions. The application of synergy occurs at a detailed level where the focus is on individual categories of synergy and the factors that impact them. It is at this subtle level that deals succeed or fail. To enhance understanding of these subtleties, Taylor Companies will publish subsequent volumes that will address, in greater detail, the individual categories of synergy and the corresponding factors that support success.

In future volumes of *Synergy Insights* we will incorporate your ideas about synergy and its applications, as well as case studies and anecdotes based on your experiences and feedback. Therefore we invite you to share examples of synergy applied in acquisitions and divestitures with which you may have been involved.

WE WELCOME READER FEEDBACK

To share examples of synergy applied in acquisitions and divestitures with which you may have been involved, if you have questions or comments, or are interested in seeing a specific subject discussed, please send all inquires to:

Synergy Insights
Attn: Warren Bellis
1667 K Street NW, Suite 200,
Washington, DC 20006
United States of America
+1 202 955 1330
SynergyInsights@tay.com
www.tay.com

Taylor Companies

Taylor Companies' mission is to generate wealth and fulfillment for our clients, associates, and shareholders by building trusted relationships worldwide with those who share strategic vision and integrity. Taylor will continue to be the best in our industry at confidentially and strategically producing optimal results, and through our ongoing success, support those organizations that enrich humanity.

Synergy Insights™

1667 K Street NW, Suite 200,
Washington, DC 20006
United States of America
+1 202 955 1330
www.tay.com

Synergy Insights Staff

Publisher . . . . Ralph C. Taylor II

Editor-in-Chief . . . . . . Warren H. Bellis

Managing Editor. . . . . . Rachel T. Lane

Art Director . . . . .Ryan A. Byrnes

Copy Editor . . . . . . Heather M. Kenney

Synergy™ INSIGHTS

1667 K Street NW, Suite 200,
Washington, DC 20006
United States of America
+1 202 955 1330 • www.tay.com